

House File 615 - Introduced

HOUSE FILE 615

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 557)

(SUCCESSOR TO HF 249)

A BILL FOR

- 1 An Act relating to the establishment, operation, and
- 2 dissolution of rural improvement zones.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 357H.1, subsection 1, Code 2015, is
2 amended to read as follows:

3 1. The board of supervisors of a county with less than
4 twenty thousand residents, not counting persons admitted or
5 committed to an institution enumerated in section 218.1 or
6 904.102, based upon the ~~2000~~ most recent certified federal
7 census, and with a private lake development ~~shall~~ may designate
8 an area surrounding the lake, if it is an unincorporated
9 area of the county, a rural improvement zone upon receipt of
10 a petition pursuant to section 357H.2, and upon the board's
11 determination that the area is in need of improvements.

12 Sec. 2. Section 357H.1, subsection 2, paragraph b, Code
13 2015, is amended to read as follows:

14 *b. "Improvements" means dredging, installation of erosion*
15 *control measures, water quality activities, land acquisition,*
16 *and related improvements, including soil conservation*
17 *practices, within or outside of the boundaries of the zone.*

18 Sec. 3. Section 357H.1, subsection 2, Code 2015, is amended
19 by adding the following new paragraphs:

20 NEW PARAGRAPH. *c. "Lake" means a body of water that is*
21 *located entirely in a single county and that has a surface area*
22 *of at least eighty acres.*

23 NEW PARAGRAPH. *d. "Water quality activities" includes but*
24 *is not limited to creation or maintenance of grass waterways or*
25 *wetlands, bank stabilization, watershed protection, activities*
26 *on lands outside the rural improvement zone which affect water*
27 *quality within the zone, and any other activity which will*
28 *improve water quality of a stream, river, or lake.*

29 Sec. 4. Section 357H.2, subsection 1, paragraph a, Code
30 2015, is amended to read as follows:

31 *a. The need for the proposed zone, which shall be based*
32 *upon a report of a licensed professional engineer prepared not*
33 *more than two years before the date the petition is filed, and*
34 *that includes all of the following:*

35 (1) Surface area of the lake in acres.

1 (2) Number of acres of land comprising the lake's watershed.

2 (3) Soil classification of the land comprising the lake's
3 watershed.

4 (4) Description of all current land uses within the lake's
5 watershed.

6 (5) Estimate of historical annual silt accumulation for the
7 lake during the twenty years immediately preceding the year in
8 which the engineer's report was completed.

9 (6) Estimate of the amount of silt currently accumulated in
10 the lake.

11 (7) Estimates of annual silt accumulation in the lake for
12 the twenty-year period following establishment of the rural
13 improvement zone.

14 (8) Estimate of remaining space available to the proposed
15 zone in existing detention basins for storage of dredged and
16 removed silt.

17 (9) Estimate of storage space that will be required to store
18 dredged and removed silt from the lake for the twenty-year
19 period following establishment of the rural improvement zone.

20 (10) Assessment of the current water quality of the lake.

21 (11) Assessment of the current need for preventative
22 practices to improve the water quality of the lake.

23 (12) Assessment of the impact preventative practices will
24 have on the water quality of the lake.

25 (13) Estimate of the cost to effectively address erosion
26 control and water quality for the twenty-year period following
27 establishment of the rural improvement zone.

28 Sec. 5. Section 357H.2, Code 2015, is amended by adding the
29 following new subsection:

30 NEW SUBSECTION. 1A. A copy of the report prepared by the
31 licensed professional engineer and used to prepare the petition
32 shall be submitted with the petition under this section.

33 Sec. 6. Section 357H.3, Code 2015, is amended to read as
34 follows:

35 **357H.3 Time of public hearing.**

1 ~~The~~ 1. If the petition substantially meets the requirements
 2 of section 357H.2, the public hearing required in section
 3 357H.2 shall be held within ~~thirty~~ sixty days of the
 4 presentation of the petition. Notice of hearing shall be
 5 given by publication as provided in section 331.305. ~~Holding~~
 6 a public hearing pursuant to this section is not dispositive
 7 of the approval or denial of a petition by the board under this
 8 chapter.

9 2. If the board determines that the petition or the
 10 engineer's report does not substantially meet the requirements
 11 of section 357H.2, the board may, within thirty days of
 12 presentation of the petition, request additional information
 13 from the petitioners. The board's request for additional
 14 information shall be limited to the information required under
 15 section 357H.2 that was not contained in the petition or the
 16 accompanying engineer's report. The board shall be limited to
 17 one request for additional information under this section. The
 18 public hearing required in section 357H.2 shall be held within
 19 sixty days of receiving the additional information. Notice of
 20 hearing shall be given in the same manner as required under
 21 subsection 1.

22 Sec. 7. Section 357H.4, Code 2015, is amended to read as
 23 follows:

24 **357H.4 Hearing on petition — action by board.**

25 1. ~~At the public hearing required in section 357H.3,~~
 26 the board may consider the boundaries of a proposed rural
 27 improvement zone, whether the boundaries shall be as described
 28 in the petition or otherwise, and for that purpose may amend
 29 the petition and change the boundaries of the proposed zone as
 30 stated in the petition. The board may adjust the boundaries
 31 of a proposed zone as needed to exclude land that has no
 32 reasonable likelihood of benefit from inclusion in a rural
 33 improvement zone. However, the boundaries of a proposed zone
 34 shall not be changed to incorporate property which is not
 35 included in the original petition.

1 2. Within ~~ten~~ thirty days after the hearing, the board shall
2 establish the rural improvement zone by resolution or disallow
3 the petition. However, the zone shall not include any area
4 which is part of an urban renewal area under chapter 403.

5 Sec. 8. Section 357H.8, subsection 2, Code 2015, is amended
6 to read as follows:

7 2. Certificates may be issued with respect to a single
8 improvement project or multiple projects and may contain
9 terms or conditions as the board of trustees may provide by
10 resolution authorizing the issuance of the certificates.

11 However, certificates, including certificates to refund
12 outstanding certificates under subsection 3, shall not
13 ~~be issued after January 1, 2007, except to refund other~~
14 ~~certificates as provided in subsection 3~~ if the maturity
15 date of the certificates would be after the date the rural
16 improvement zone is, at the time of issuing the certificates,
17 to be dissolved by law under section 357H.10.

18 Sec. 9. Section 357H.9, subsection 1, Code 2015, is amended
19 to read as follows:

20 1. a. The board of trustees shall provide by resolution
21 that taxes levied on the taxable property in a rural
22 improvement zone each year by or for the benefit of the state,
23 city, county, school district, or other taxing district after
24 the effective date of the resolution shall, except as provided
25 in this section, be divided as provided in section 403.19,
26 subsections 1 and 2, in the same manner as if the taxable
27 property in the rural improvement zone was taxable property
28 in an urban renewal area and the resolution was an ordinance
29 within the meaning of those subsections. The taxes received by
30 the board of trustees shall be allocated to, and when collected
31 be paid into, a special fund and may be irrevocably pledged
32 by the trustees to pay the principal of and interest on the
33 certificates, contracts, or other obligations approved by the
34 board of trustees to finance or refinance, in whole or in part,
35 an improvement project.

1 b. (1) For fiscal years beginning on or after July 1, 2016,
2 when calculating the amount of taxes subject to the division of
3 taxes in a rural improvement zone established on or after July
4 1, 2004, if the assessed value of the taxable property in the
5 rural improvement zone used to calculate the amount of taxes
6 under section 403.19, subsection 1, is less than the greater of
7 the base year taxable value and fifty percent of the assessed
8 value of the taxable property in the rural improvement zone
9 used to calculate the total amount of property taxes in the
10 rural improvement zone for the fiscal year in which the taxes
11 are due and payable, the assessed value used to calculate the
12 amount of taxes under section 403.19, subsection 1, shall be
13 increased for that fiscal year until the amount is equal to the
14 greater of the base year taxable value and fifty percent of the
15 assessed value used to calculate the total amount of property
16 taxes in the rural improvement zone for the fiscal year in
17 which the taxes are due and payable.

18 (2) However, for the period of ten consecutive fiscal
19 years beginning with the first fiscal year in which the zone
20 receives revenue from a division of taxes under this section,
21 the division of taxes authorized under this section shall be
22 calculated subject to the provisions of subparagraph (1),
23 except that any references to fifty percent in subparagraph (1)
24 shall be forty percent.

25 c. For fiscal years beginning on or after July 1, 2016,
26 when calculating the amount of taxes subject to the division
27 of taxes in a rural improvement zone established before July
28 1, 2004, if the assessed value of the taxable property in the
29 rural improvement zone used to calculate the amount of taxes
30 under section 403.19, subsection 1, is less than the greater of
31 the base year taxable value and sixty percent of the assessed
32 value of the taxable property in the rural improvement zone
33 used to calculate the total amount of property taxes in the
34 rural improvement zone for the fiscal year in which the taxes
35 are due and payable, the assessed value used to calculate the

1 amount of taxes under section 403.19, subsection 1, shall be
2 increased for that fiscal year until the amount is equal to the
3 greater of the base year taxable value and sixty percent of the
4 assessed value used to calculate the total amount of property
5 taxes in the rural improvement zone for the fiscal year in
6 which the taxes are due and payable.

7 d. (1) In lieu of the valuation adjustments required under
8 section 403.20, this paragraph "d" shall be used in determining
9 the assessed value of property within a rural improvement zone
10 that is subject to a division of taxes in the manner provided
11 in section 403.19.

12 (2) The difference between the actual value of the property
13 as determined by the assessor each year and the percentage of
14 adjustment certified for that year by the director of revenue
15 on or before November 1 pursuant to section 441.21, subsection
16 9, multiplied by the actual value of the property as determined
17 by the assessor, shall be subtracted from the actual value
18 of the property as determined pursuant to section 403.19,
19 subsection 1.

20 (3) If the assessed value of the property as determined
21 pursuant to section 403.19, subsection 1, is reduced to
22 zero due to the reduction under subparagraph (2), or if the
23 reduction in the assessed value is limited by operation of
24 paragraph "b" or "c", the additional valuation reduction
25 shall be subtracted from the actual value of the property as
26 determined by the assessor.

27 (4) If the actual value of the property as determined
28 by the assessor is reduced to zero due to the reduction
29 under subparagraph (3), the remaining valuation reduction,
30 notwithstanding the limitation in paragraph "b" or "c", shall
31 be subtracted from the assessed value of the property as
32 determined pursuant to section 403.19, subsection 1.

33 e. The board of trustees may enter into an agreement
34 with the board that modifies the allocation of the taxes
35 levied in the rural improvement zone. Such an agreement

1 shall not, however, provide an allocation to the other taxing
2 districts that is less than the amount of taxes resulting from
3 application of paragraph "b" or "c", as applicable.

4 f. As used in this section, "~~taxes~~":

5 (1) "Base year taxable value" means the actual value of
6 the property as determined in section 403.19, subsection 1,
7 multiplied by the percentage of adjustment certified for the
8 assessment year specified in section 403.19, subsection 1, by
9 the director of revenue on or before November 1 pursuant to
10 section 441.21, subsection 9.

11 (2) "Taxes" includes but is not limited to all levies on
12 an ad valorem basis upon land or real property located in the
13 rural improvement zone.

14 Sec. 10. Section 357H.9, subsection 2, paragraph a, Code
15 2015, is amended to read as follows:

16 a. Each board of trustees that has by resolution provided
17 for a division of revenue taxes in the rural improvement zone
18 during the most recently ended fiscal year shall complete
19 and file with the department of management a tax increment
20 financing report by December 1 following the end of such
21 fiscal year. The report shall be approved by the affirmative
22 vote of a majority of the board of trustees and be prepared
23 in the format and submitted electronically pursuant to the
24 instructions prescribed by the department of management in
25 consultation with the legislative services agency.

26 Sec. 11. NEW SECTION. 357H.9A Annual financial report —
27 audit.

28 1. Not later than December 1 of each year on forms and
29 pursuant to the instructions prescribed by the department
30 of management, the board of trustees shall file with the
31 county auditor an annual financial report showing the rural
32 improvement zone's financial condition as of June 30 and the
33 results of operations for the year then ended.

34 2. A rural improvement zone is subject to annual audit by
35 the auditor of state. In lieu of an audit by the auditor of

1 state, the rural improvement zone may contract with or employ
 2 a certified public accountant to conduct the audit pursuant
 3 to the applicable terms and conditions prescribed by sections
 4 11.6, 11.14, 11.19, and 11.41. The audit format shall be as
 5 prescribed by the auditor of state. The rural improvement zone
 6 shall pay all expenses incurred by the auditor of state in
 7 conducting an audit under this section.

8 Sec. 12. Section 357H.10, Code 2015, is amended to read as
 9 follows:

10 **357H.10 Dissolution of zone.**

11 1. The Prior to the date required for dissolution under
 12 subsection 2, a rural improvement zone shall may be dissolved
 13 upon the adoption of a resolution of the board of trustees
 14 which specifies that all improvements have been made in the
 15 zone, the need for the zone, as identified under section
 16 357H.2, subsection 1, has been satisfied, and all indebtedness
 17 has been paid.

18 2. a. Unless dissolved by resolution of the board of
 19 trustees under subsection 1, or an extension is approved under
 20 paragraph "b", each rural improvement zone is dissolved on June
 21 30, 2019, or twenty years after the first day of the fiscal
 22 year following the fiscal year in which the zone first receives
 23 revenue from the division of taxes under section 357H.9,
 24 whichever date is later.

25 b. The date required under this subsection for dissolution
 26 of a rural improvement zone may be extended by resolution of
 27 the board adopted prior to the date required for dissolution
 28 under paragraph "a" or a date prior to the date to which
 29 the rural improvement zone was previously extended by the
 30 board under this paragraph "b" or by operation of law under
 31 subparagraph (1). Each extension approved by the board under
 32 this paragraph "b" shall be for a period of twenty years. Prior
 33 to approval of an extension by the board under this paragraph
 34 "b", all of the following requirements shall be met:

35 (1) Not more than forty-eight months nor less than

1 thirty-six months prior to the date required for dissolution,
2 the board of trustees shall file a written request with the
3 board for an extension of the zone's dissolution date. The
4 request shall state the improvements needed in the rural
5 improvement zone beyond the dissolution date otherwise required
6 under this section. The board shall, within ninety days after
7 receiving the request, either adopt a resolution granting the
8 twenty-year extension without further proceedings or notify the
9 board of trustees in writing of the board's intent to review
10 the zone's dissolution date under subparagraphs (2) through
11 (4). The board may, as part of its notice to the board of
12 trustees, request a report prepared by a licensed professional
13 engineer containing all of the information required under
14 section 357H.2, subsection 1. If the board fails to either
15 approve the extension by resolution or notify the board of
16 trustees of the board's intent to review the zone's dissolution
17 date under subparagraphs (2) through (4) within the ninety-day
18 period, the request for a twenty-year extension shall be deemed
19 approved.

20 (2) Following receipt of the board's notice of intent to
21 review and not less than twenty-four months prior to the date
22 required for dissolution, the board of trustees shall, if
23 requested by the board under subparagraph (1), submit to the
24 board a report prepared by a licensed professional engineer
25 that includes the information required under section 357H.2,
26 subsection 1, paragraph "a". If the board determined that the
27 engineer's report does not substantially meet the requirements
28 of section 357H.2 or that additional relevant information is
29 needed, the board may, within thirty days of the date the
30 request was filed under subparagraph (1), request additional
31 information from the board of trustees. The board shall be
32 limited to one request for additional information.

33 (3) Not more than sixty days after receiving the engineer's
34 report required or the additional information requested under
35 subparagraph (2), whichever is later, the board shall hold a

1 public hearing to determine the need for improvements in the
2 rural improvement zone. Notice of hearing shall be given by
3 publication as provided in section 331.305. Holding a public
4 hearing pursuant to this subparagraph is not dispositive of
5 the approval or denial of a request for an extension of the
6 dissolution date by the board under this chapter.

7 (4) Within thirty days after the public hearing, the
8 board shall either find a need for improvements in the
9 rural improvement zone and adopt a resolution approving the
10 twenty-year extension or find that the area is no longer in
11 need of improvements. If the board fails to either approve or
12 deny the extension within the thirty-day period, the request
13 for a twenty-year extension is deemed approved.

14 3. Upon dissolution of the zone, all assets shall be deeded
15 or otherwise transferred to a nonprofit corporation whose
16 members are property owners of the improvement zone.

17 4. Upon dissolution of the zone, the collection of the
18 property tax authorized under section 357H.8, subsection 4, and
19 the division of taxes authorized under section 357H.9 shall
20 cease immediately.

21 Sec. 13. NEW SECTION. 357H.11 Agreements.

22 Any agreement or other instrument in connection with an
23 agreement between a board of trustees and a board in effect on
24 July 1, 2015, relating to the division of taxes under section
25 357H.9, the dissolution date of a rural improvement zone, or
26 the criteria used for determining the need for improvements
27 in the rural improvement zone that is inconsistent with this
28 chapter shall be null and void. However, nothing in this
29 chapter shall be construed to prohibit the board of trustees
30 and the board from entering into an agreement on or after
31 July 1, 2015, relating to the division of taxes under section
32 357H.9, the dissolution date of the rural improvement zone, or
33 the criteria used for determining the need for improvements in
34 the rural improvement zone, so long as such agreement does not
35 violate the provisions of this chapter.

1 EXPLANATION

2 The inclusion of this explanation does not constitute agreement with
3 the explanation's substance by the members of the general assembly.

4 This bill relates to the establishment, operation, and
5 dissolution of rural improvement zones under Code chapter 357H.

6 Current law provides that the population threshold for
7 establishing a rural improvement zone is determined using
8 the 2000 certified federal census. The bill changes that
9 requirement so that the population is determined using the most
10 recent certified federal census.

11 Current Code section 357H.1 provides that a board of
12 supervisors of a county meeting specified population
13 requirements shall designate an area surrounding the lake, if
14 it is an unincorporated area of the county, a rural improvement
15 zone upon receipt of a petition, and upon the board's
16 determination that the area is in need of improvements. This
17 bill strikes "shall" from that provision and inserts "may".

18 The bill also adds a definition of "lake" for purposes of
19 determining eligibility to establish a rural improvement zone.
20 The bill defines "lake" to mean a body of water that is located
21 entirely in a single county and that has a surface area of at
22 least 80 acres.

23 The bill adds water quality activities to the definition
24 of "improvements". Under Code chapter 357H, the board of
25 trustees may authorize construction, reconstruction, or repair
26 of improvements for the rural improvement zone. Under the
27 bill, "water quality activities" includes but is not limited
28 to creation or maintenance of grass waterways or wetlands,
29 bank stabilization, watershed protection, activities on lands
30 outside the rural improvement zone which affect water quality
31 within the zone, and any other activity which will improve
32 water quality of a stream, river, or lake.

33 The bill provides that as part of the approval process for a
34 rural improvement zone, the petition must include a statement
35 of the need for the proposed zone based upon a report prepared

1 by a licensed professional engineer. The report utilized
2 in preparing the petition must have been prepared not more
3 than two years before the date the petition is filed. The
4 information required to be included in the engineer's report
5 relates to the size of the lake, soil classification, silt
6 accumulation data and estimates, water quality assessments,
7 and cost estimates. The bill requires a copy of the report
8 prepared by the licensed professional engineer and used to
9 prepare the petition to be submitted with the petition.

10 The bill changes the period of time required for holding
11 a public hearing on the petition from within 30 days of
12 presentation of the petition to within 60 days. The bill
13 specifies that holding a public hearing relating to the
14 establishment of a rural improvement zone is not dispositive
15 of the approval or denial of a petition by the board. In
16 addition, the bill provides that if the board of supervisors
17 determines that the petition or the engineer's report does
18 not substantially meet the statutory requirements, the
19 board may, within 30 days of presentation of the petition,
20 request additional information from the petitioners. The
21 board's request for additional information is limited to the
22 statutorily required information that was not contained in the
23 petition or in the accompanying engineer's report. The bill
24 limits the board to one request for additional information.
25 Upon presentation of the additional information, the public
26 hearing must be held within 60 days of receiving the additional
27 information.

28 Current law requires that the board either establish the
29 rural improvement zone by resolution or disallow the petition
30 within 10 days after the required public hearing. The bill
31 changes that period of time to 30 days.

32 The bill strikes the provision which prohibited the issuance
33 of certificates for the payment of a rural improvement zone's
34 improvements and activities after January 1, 2007, and provides
35 that such certificates, including certificates to refund

1 outstanding certificates, may not be issued if the maturity
2 date of the certificates would be after the date the rural
3 improvement zone is to be dissolved, as provided by the bill.

4 Current Code section 357H.9 authorizes rural improvement
5 zones to authorize the use of taxes from a division of taxes
6 (tax increment financing). The bill provides that for fiscal
7 years beginning on or after July 1, 2016, when calculating
8 the amount of taxes subject to the division of taxes in a
9 rural improvement zone established on or after July 1, 2004,
10 if the assessed value of the taxable property in the rural
11 improvement zone used to calculate the amount of taxes under
12 Code section 403.19(1) is less than the greater of the base
13 year taxable value and 50 percent of the assessed value used
14 to calculate the total amount of property taxes in the rural
15 improvement zone for the fiscal year in which the taxes are due
16 and payable, the assessed value used to calculate the amount
17 of taxes under Code section 403.19(1) shall be increased for
18 that fiscal year until the amount is equal to the greater of
19 the base year taxable value and 50 percent of the assessed
20 value used to calculate the total amount of property taxes
21 in the rural improvement zone for the fiscal year in which
22 the taxes are due and payable. However, for the period of 10
23 consecutive fiscal years beginning with the first fiscal year
24 in which those zones established on or after July 1, 2014,
25 receive revenue from a division of taxes, the division of taxes
26 is subject to the assessed value adjustment in the bill, except
27 that any references to 50 percent shall be 40 percent.

28 The bill also provides that for fiscal years beginning on
29 or after July 1, 2016, when calculating the amount of taxes
30 subject to the division of taxes in a rural improvement zone
31 established before July 1, 2004, if the assessed value of
32 the taxable property in the rural improvement zone used to
33 calculate the amount of taxes under Code section 403.19(1)
34 is less than the greater of the base year taxable value and
35 60 percent of the assessed value used to calculate the total

1 amount of property taxes in the rural improvement zone for
2 the fiscal year in which the taxes are due and payable, the
3 assessed value used to calculate the amount of taxes under
4 Code section 403.19(1) shall be increased for that fiscal
5 year until the amount is equal to the greater of the base
6 year taxable value and 60 percent of the assessed value used
7 to calculate the total amount of property taxes in the rural
8 improvement zone for the fiscal year in which the taxes are due
9 and payable.

10 The bill defines "base year taxable value" to mean the actual
11 value of the property as determined in Code section 403.19(1)
12 multiplied by the percentage of adjustment (rollback) certified
13 for the assessment year specified in Code section 403.19(1).

14 The bill also provides that in lieu of the valuation
15 adjustments required under current law pursuant to Code
16 section 403.20, new Code section 357H.9(1)(d) is to be used
17 in determining the assessed value of property within a rural
18 improvement zone that is subject to a division of taxes and
19 allocation of the amount of reduction in value of property
20 within the rural improvement zone due to assessment limitations
21 (rollback).

22 The bill authorizes the board of trustees to enter into
23 an agreement with the board of supervisors that modifies the
24 allocation of the taxes levied in the rural improvement zone.
25 Such an agreement shall not, however, provide an allocation
26 to the other taxing districts that is less than the amount of
27 taxes resulting from application of assessed value adjustments
28 required in the bill.

29 The bill provides that not later than December 1 of each
30 year the board of trustees of a zone shall file with the
31 county auditor an annual financial report showing the rural
32 improvement zone's financial condition as of June 30 and the
33 results of operations for the year then ended. The bill also
34 provides that all rural improvement zones are subject to annual
35 audit either by the auditor of state or by a certified public

1 accountant contracted with or employed by the rural improvement
2 zone to conduct the audit.

3 The bill provides that, unless dissolved by resolution of
4 the board of trustees, each rural improvement zone is dissolved
5 on June 30, 2019, or 20 years from the first day of the fiscal
6 year following the fiscal year in which the zone first receives
7 revenue from the division of taxes, whichever is later. The
8 bill further provides that the date required for dissolution
9 may be extended by resolution of the board of supervisors
10 adopted prior to the date required for dissolution or prior to
11 the date to which the rural improvement zone was previously
12 extended by the board of supervisors under the provisions of
13 the bill. Each extension shall be for a period of 20 years.

14 The bill updates language relating to the disposition of
15 property upon dissolution of the zone and specifies that any
16 collection of, or division of, property taxes under Code
17 chapter 357H ceases immediately upon dissolution of the zone.

18 Under the bill, the rural improvement zone's board of
19 trustees must file a written request with the board of
20 supervisors requesting an extension of the dissolution date.
21 The request must state the improvements needed in the zone
22 beyond the dissolution date otherwise required by the bill.
23 Within 90 days after receiving the request, the board of
24 supervisors must either adopt a resolution granting the 20-year
25 extension without further proceedings, or notify the board of
26 trustees in writing of the board's intent to review the zone's
27 dissolution date. The board may, as part of its notice to the
28 board of trustees, request a report prepared by a licensed
29 professional engineer. If the board fails to either approve
30 the extension by resolution or notify the board of trustees of
31 the board's intent to review the zone's dissolution date within
32 the 90-day period, the request for a 20-year extension is
33 deemed approved. The board of supervisors requests additional
34 information from the board of trustees. As part of the
35 board of supervisors' further review of the request, a public

1 hearing must be held within the period of time specified in
2 the bill. Within 30 days after the public hearing, the board
3 of supervisors is required to either find a continued need for
4 the rural improvement zone and adopt a resolution approving the
5 20-year extension or find that the continued operation of the
6 rural improvement zone is not necessary and deny the request
7 for an extension. If the board fails to either approve or
8 deny the extension within the specified period of time after
9 the hearing, the request for a 20-year extension is deemed
10 approved.

11 The bill provides that any agreement or other instrument in
12 connection with an agreement between a board of trustees and
13 a board in effect on July 1, 2015, relating to the division of
14 taxes, the dissolution date of a rural improvement zone, or
15 the criteria used for determining the need for improvements in
16 the rural improvement zone that is inconsistent with this Code
17 chapter shall be null and void. However, the bill provides
18 that nothing in Code chapter 357H shall be construed to
19 prohibit the board of trustees and the board from entering into
20 an agreement on or after July 1, 2015, relating to the division
21 of taxes, the dissolution date of the rural improvement zone,
22 or the criteria used for determining the need for improvements
23 in the rural improvement zone, so long as such agreement does
24 not violate the provisions of Code chapter 357H.